

Speech given to
Rural Electrification Assoc.
~~_____~~? Durham
Aug. 16, 1973

I am pleased to be with this particular group this morning because I think the purpose for which you were organized and for which you meet were never more important than they are today. I came from the farm about 5:30 this morning and I'm not sure I can see the speech that I've got to read.

I really don't think anybody wants to hear a formal speech this early in the morning but I will have to tell you that I have always carried one along. Many years ago when I was sitting in a calculus class over in Chapel Hill, I had a professor who was originally from Germany and didn't speak English very well. I was sitting on the front row and I'm not sure what I was doing at the time, but he suddenly came up to me, stuck his finger right in my face and said "What's your name?" I couldn't think of my name to save my life. The class roared and I almost began to pull out my wallet to see if I could find my name. Because of that incident, I try to carry a few notes along to make sure things like that don't happen again.

I would like to talk very informally with you this morning and if I ramble you'll have to forgive me. But I want to say to you that there has never been a time, I think, when it was evident to everyone how important it is for people to become involved in public life for the survival of our society as we know it. The spectacles that we have had in Washington in the last few weeks and last few months, as well as those that have gone on in years past have demonstrated,

I think, what can happen in our society and our government if good people sit back and do nothing. You can see that government at every level can be corrupted and can be manipulated for the special interests of a few and not for the general welfare ~~of~~^{of} all of our people.

I have seen this through the years in the North Carolina General Assembly and as a member of the Senate but I'm not sure that I fully appreciated what was going on until the last few years when I began to seek public office on a Statewide level. In a way, very few people cared too much about who represented my district or my county in the Legislature except the representatives themselves. In addition to that, I was close enough in Harnett County to my people so that I knew their wants and their needs and their wishes and I think they pretty well knew my philosophy and the things that I stood for. Even if the special interest groups had wanted to come into my area, I don't believe that they could have been too successful.

But I have found that that is not altogether true even when you reach the Legislature and especially when you begin to seek public office. In every committee meeting in the Legislature, there are representatives of almost every interest including the so-called special interest, always available, always listening to find out what's going on and what's going to affect a particular situation. I think they serve a good purpose if they are kept in the right perspective.

A Legislator ought to be able to know what is the thinking of the banking community but he also has at his disposal the contrary views. He ought to be able to see the other side of the picture. He ought to be able to hear the representatives of the insurance industry to make sure that their point of view is heard but by the same token somebody ought to be there to make sure that the other side of the coin is heard also.

If it is kept in the proper perspective, representatives of special interests can serve a useful purpose in our Democratic society and I think that is the proper perspective in which they can be kept. But when they begin to attempt to manipulate the elections and control public offices by substantial and large contributions, then I think they are doing a mis-service to the people of the State and to their own special interest.

I found that campaigning on a State-wide level is an awfully expensive matter. The cost of a Statewide campaign is almost unbelievable. As some of you know, I gave some thought to running for another Statewide office a couple of years ago and we did a great deal of thinking and research about the possible cost of that election. When we reached our final conclusion we decided that it would be almost impossible to run for that office in this State without at least a million dollars. That is a lot of money and that money has to come from somewhere. If it comes from special interests, then you know that human nature being what it is, you can't

help but be somewhat committed to those special interests.

After I decided to seek re-election to the office of Attorney General, we felt that with the support of people like you sitting in the room today that we could be elected or could be re-elected, but at the same time, we didn't think we could afford to take it for granted because that is the one thing that people in North Carolina don't want of any candidate. They want the candidate to get out and work, so we put together what we considered to be an absolute minimum campaign. I think we had 73 half minute spots on the Tobacco Network and you can't say much in a half-minute. If you run those 73 spots over a period of the last 30 days of a campaign, that is slightly more than two spots a day. For anybody to even hear those spots they would have to sit up and listen to the radio all day long and then possibly if they took time out to watch a hand (?) they would probably miss them.

So you see, we were certainly not beginning to saturate the State with political advertising. We had, I believe, something like one spot on half of the television stations every other day for the last 12 or 15 days of the campaign. Now, here again, you even have more difficulty seeing that spot. We have only run one ad in the major State newspapers. We started out to run two ads. We felt like we had to run at least two, but because of finances, we cut that down to one quarter page ad about the size of this piece of paper in just 20 of the newspapers in the State. That ad, together with

the printing of the literature and the telephone and a very nominal amount for travel came to \$52,000. Oh yes, there were a number of people who were willing to contribute to our campaign -- in fact, one man came into my office and was willing to put up the entire amount -- he and his friends-- but we turned that down.

Transition section needed here. Transcript is very vague and confusing.

When we got our poll back from an official pollster (and I think everybody has to use them nowadays), I got on the phone and I called the man who made the poll and I said, you must be wrong. I said if I have got any strength in North Carolina at all, it is with the average man and woman in North Carolina. The man said to me, "Mr. Morgan, I could have told you the results of the poll before I made it." He said, "the average man on the street who is benefitting most from your activities in consumer protection doesn't even realize that you are involved in it." But he said, "it is the business man and the top executive who knows exactly what you are doing, those that you reach at the Rotary Club in your civic speeches, that know about it. And while there are many interests involved in special interests that don't agree with you," he said, "nevertheless, they know what you are doing."

And that was a rude awakening for me because here we were alienating not all of the special interests, but you certainly couldn't expect us to get any help from Carolina Power and Light, Duke Power, Southern Bell and all of these

companies that we were involved with. And yet, here were people who were voting about it and didn't even realize what we were doing. And I might tell you that a couple of friends of mine within the last month or two (this was not a vote and I don't want you to get any ideas or anything), but these were a couple of friends of mine who were travelling around the State. They decided that they would stop and make some general inquiries to see what we were doing and how we were doing it, so they asked this question in a number of places all across the State: "What do you think of the Attorney General's role in utility rates?" The first reply was typical of almost every reply and, if you will excuse the language, the reply was, "Well, I don't know what in the hell he is doing but I know my lease has gone up." It was well intended, it had to go up, but what that man on the street didn't realize was that during the last four year period of time the utilities sought rate increases in the neighborhood of \$215 million dollars a year. At the hearing they received \$104 million dollars a year less than what they thought they would get. Now we can't take all the credit for that, but we think we played a major role by being there and making sure that all of the others on both sides were available for the Commissioners so that they could arrive at a fair and just decision. But you see here again the general public knows that their rates have gone up but they don't stop and think how much they might have gone up had we not been involved as a public advocate. So you see, what I am trying to say to you is that there is a real need

for an organization such as yours that is not composed of just a few top executives of some utility or some bank or some giant company that is doing business in North Carolina. When a committee is made up of frank and powerful people all across North Carolina, you are not just representing a few major stockholders, you are representing thousands and thousands of people. You are not only concerned with rural electrification itself, you are interested in all things that improve the way of life of the rural people in all of North Carolina. I think this is well demonstrated by positions this organization has taken through the years. There is a lot of hue and cry among the special interests because you sometimes do more than just put up a power pole. Maybe because the rural electrification authority has involved itself in developing a resort area because it makes for a better way of life by promoting economic conditions. These are all part of the facts that you are interested in. This is what I think is so important for your organization--for your members to engage in voicing thier opinions about what is going on.

I want to especially commend you for your monthly publication, "Carolina Farmer" and to thank Jim Chaney for what he has done to help us publicize consumer affairs in North Carolina. I believe that Jim and that publication have done more to help us reach the people that we are trying to reach than any other group or any other organization or publication in North Carolina. So I think you are doing a good job and I hope that you will continue to support candidates not necessarily because they

will back a particular issue that you are interested in, but because the candidates are sincere and dedicated and are concerned for the general and specific welfare of all. Candidates who have a philosophy that would promote the common good in our State.

Now I want to talk about your particular interest for rural electrification. It does, I'm sure, include such things as medical care which you have already heard a great deal about. Here again, you must be concerned because let me tell you that in 1963 I chaired the Welfare Committee of the North Carolina Assembly. That was the year the _____ bill was passed which was one of the first forerunners of the _____.

I want you to know that we never had a single meeting that Don Edmonston, the paid lobbyist and counsel for the North Carolina Medical Society, did not attend, making sure that not only was their point of view heard but also making sure that if a member of that Committee began to waiver that some doctor back home would be caught. You can rest assured that the medical society is concerned about it and I was astounded when I heard some time ago that the President of the North Carolina Medical Society said there was no shortage of doctors in North Carolina. And I was also astounded to read in an issue of the Goldsboro Argus about Dr. Amos Johnson's testimony that there was no doctor shortage in North Carolina and yet Dr. Amos Johnson testified for the creation of the new medical school in 1965. After 1965, I became elected to the University Trustees and I guess he saw the light. I want to tell you here and now that anybody

who says that there is no shortage of doctors in North Carolina hasn't tried to get a doctor lately.

One Monday about 11:00 in my office, I came down with a high fever and if Nick had not called on one of his personal friends we would never have been able to see a doctor. With an extremely high temperature, it took us two hours. I went to see a friend of mine who is a doctor in Erwin about eight o'clock one night, thinking may be he would go have a hamburger with me-- there were fifteen people waiting to see him at 8:00. Some of them had been in the office all afternoon. And these people who stand up and say we have enough doctors in North Carolina are astounding to me. They may know something I don't know. Of course a new medical school is not going to solve the problem but training more doctors is a step toward solving the problem. You have got to make a start somewhere. I am all for these new health clinics they are talking about, but what are you going to do with a health clinic if you don't have any doctors to staff them and why aren't the rural people in this country entitled to the care of physicians as are the people in the city?

I don't believe that we ought to condemn the people of North Carolina to second class medical care simply because we don't have enough doctors. For East Carolina this year we accepted 20 students. Those 20 students stacked up well on their tests. I cannot give you the scores because the Dean asked me not to but take my word for it, they were very, very favorable. We have this time at least 20 applicants for every

position that we had. Someone said in a speech recently that we need to interest more young people in studying medicine. We can't get interested young people into the medical schools!

It seems amazing that there are still those who say that we can't provide for the medical needs of the people of this State when we had in our treasury the first of this fiscal year July 1st nearly a quarter million dollar surplus. We can if we want to. There isn't a single mental hospital, well let me put it another way, since I have been in the Senate starting in 1955 there has not been at any one time in North Carolina a full complement of doctors for the mental hospitals of North Carolina. Now remember these people are locked up by court order. They are not free to go out and walk the streets and seek their own medical care and because that is true, it is incumbent upon a civilized society such as ours to make sure that they have medical care. If it means training more doctors, or whatever it takes, we ought to be willing to do it in North Carolina.

I must say in all fairness that a good part of the doctors in the mental hospitals now are foreign trained doctors. Now, I don't mean to reflect on them but I can't understand a lot of them myself and how can you treat a person suffering from mental illness if the patient can't understand the doctor. So I think what we are doing is saying we are relegating you to second class medical care. These are the kinds of things that I think you ought to be interested in as well as your own special field.

I think you ought to be interested in finance charges. I

was amazed two years ago when I heard if you went down and bought a car as much as three years old and financed it for a three year period that you were paying as much as 35% interest. Even now the new law--Richard Clarks' bill-- and Richard Clark did a beautiful job on the consumer bill, but even now you can pay as high as 27%. I don't know what the answer to the money problem is but we can't get money now to finance homes. I am not willing to say that the answer is to remove the interest rate on home loans without first considering whether we have allowed such high interest rates on consumer loans that it is draining all of the money that could normally go into home construction. Why would a bank put their money in real estate loans at 8% when they can net a 15% or 18% investment by going to consumer loans? So I think organizations like yours ought to be concerned about it.

I could go on and talk all day about things that this organization can do but I think I already know what this organization stands for and I want to pledge to you that we will continue our fight in the Attorney General's office to represent the public interest. You can rest assured that whenever a petition is sought and is filed before the Utilities Commission seeking a rate increase or a change in quality or quantity of service that is rendered to people, then if it is at all humanly possible with the resources we have, that we will be on the other side of the council table as an advocate for the public. Not as an enemy of the utilities because, after all, they are entitled to a fair return on their money, but also the public

is entitled to make sure that both sides are heard. This is a very sensitive point because for years since I have been involved in politics many utilities really didn't care who was Governor except in so far as it affected who was on the Utilities Commission.

You have two basic concerns and I think those of you in this organization ought to make your concerns known to the public. Make sure that whenever those vacancies are filled, they are filled by men who are competent and have ability and will be fair to both the utilities and the consuming public. I think you would do your people and your organization a service if you spoke out and let the public know your concern. Again, thank you very much for what you are doing and let me urge you that as time goes on and when next year the elections come about, if a candidate speaks to the philosophy that you believe in, then do something about it. Don't wait for him to come and ask you because there are five million people in North Carolina and he can't ask everybody. But support the candidate that you think deserves your support. Thank you very much.